

INSPECTOR GENERAL

75-4170

3 DEC 1975

Executive Registry

75-389142

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Management by Objectives as an Element  
in CIA Command and Control

1. Problem:

To illustrate how Management by Objectives (MBO) is used as a management technique throughout the Agency.

2. Position of Congressional Committees:

Both the SSC and the HSC have been critical of internal controls within the Agency. They have taken the position that the disparate elements of the Agency have operated independently of one another, and essentially without strong direction and guidance from the top. Their case studies of selected operational activity in the 1950s and 1960s has convinced them that the Agency's procedures for policy program approvals, expenditure of funds, and methods for evaluation and reporting on operational activities have been deficient and need to be strengthened.

3. Discussion:

The institution of an MBO system in 1973 was intended to provide the Agency with a comprehensive system for issuing guidance to component programs and for evaluating program accomplishment and effectiveness. It was intended to complement the budgeting, personnel and regulatory controls already in being and to replace the project review procedures then in use.

With two years of experience with MBO and with the present external attention being given to the command and control of the Agency, it is time to take stock of the use of MBO in the Agency and to describe its place as one of management's tools.


4. Recommendation:

a. That the Inspector General study the role that MBO plays in the management of the Agency and within each of the Directorates.

b. That this study describe:

- 1) The intent of the MBO system.
- 2) The manner in which the Agency and the Directorates use MBO and its relation to other management techniques.
- 3) The expectations that Agency and Directorate officials, at all levels, had in MBO as a management technique and,
- 4) Their views on the effectiveness of MBO and their recommendations for the future.

c. The Inspector General study of MBO be completed by 30 January 1976.

  
Donald F. Chamberlain  
Inspector General

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